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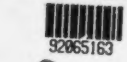
FORM 10-Q



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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended January 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8091

PROCESSED BY
MAR 12 1992
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NOVA VISTA INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

NEW YORK (State or other jurisdiction of incorporation or organization)

13-61 (IRS Employ

Microfilmed by Q-Data Corp. - St. Petersburg, FL

350 FIFTH AVENUE - 60TH FLOOR - NEW YORK, NY 10118
(Address of principal executive offices)
(Zip Code)

(212) 244-2400
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ____ No ____ (N/A - No Plan yet confirmed by Court)

As of January 31, 1992 there were 126,144 shares of common stock, $1.00 par value per share, of the registrant outstanding.

NOVA VISTA INDUSTRIES, INC.

Form 10-Q - January 31, 1992

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

ASSETS	January 31, 1992 (Unaudited)	July 31, 1991
Current assets:		
Cash and temporary investments	$ 35	$ 33
Trade accounts receivable, net	1973	1531
Finished goods inventories	4345	4948
Notes receivable and other current assets	99	113
Total current assets	6452	6625
Restricted cash	348	330
Property, plant and equipment, net	1562	1609
Other investments	1133	1180
Indebtedness of related parties	2920	2831
Notes receivable and other assets	1188	1144
Excess of cost over net assets of acquired businesses, net	1567	1591
TOTAL	$ 15170	$ 15310

See accompanying notes to consolidated financial statements.

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

LIABILITIES	January 31, 1992 (Unaudited)	July 31, 1991
Current liabilities:		
Notes payable and current maturities of long-term debt (Note 2)	$ 3077	$ 965
Accounts payable	1983	3001
Accrued expenses and other liabilities	2418	2037
Total current liabilities	7478	6003
Liabilities (unsecured) deferred pursuant to proceeding under Chapter 11	21632	21642
Long-term debt, less current maturities(Note 2)	163	1733
Total liabilities	29273	29378
Redeemable preferred stock:		
Series A redeemable preferred stock, $1 par value, authorized 2,100,000 shares; issued and outstanding 826,711 shares	827	827
Series B redeemable preferred stock, $1 par value, authorized 150,000 shares; issued and outstanding 69,980 shares	70	70
Total redeemable preferred stock	897	897
SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)		
Capital stock:		
Preferred stock:		
Series C voting preferred stock, no par value, authorized 2,000 shares; issued and outstanding 1,000 shares	10	10
Additional preferred stock, authorized 250,000 shares; none issued and outstanding		
Total preferred stock	10	10
Common stock, $1, par value, authorized 500,000 shares; issued and outstanding 126,144 shares	126	126
Additional paid-in capital	5967	5967
(Deficit)	(21103)	(21068)
Total shareholder's equity	(15000)	(14965)
TOTAL	$ 15170	$ 15310

See accompanying notes to consolidated financial statements.

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS
(dollars in thousands)
(Unaudited)

	For the Six Months Ended January 31,		For the Quarter Ended January 31,	
	1992	1991	1992	1991
Net sales	$11,685	$14,052	$ 5,553	$ 5,936
Cost of sales	9,122	10,963	4,246	4,580
Gross profit	2,563	3,089	1,307	1,356
Selling and administrative expenses	2,594	2,990	1,258	1,539
Operating income	(31)	99	49	(183)
Interest expense	188	270	96	108
Other (income) expense	(186)	49	(110)	39
Income before federal income taxes	(33)	(220)	63	(330)
Provision for federal income taxes	-0-	-0-	-0-	-0-
Net Income	$ (33)	$ (220)	$ 63	$ (330)

See accompanying notes to the consolidated financial statements

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
For the Six Months Ended January 31, 1992 and 1991
(Unaudited)

	For the Six Months Ended January 31, 1992	1991
Cash flows provided (utilized) by operating activities:		
Net income (loss)	$ (220)	$ 33
Adjustments to reconcile net profit (loss) to		
Net cash utilized by operating activities:		
Depreciation and amortization	83	76
Provision for losses on inventory and accounts receivable	124	35
Change in assets and liabilities:		
Increase/Decrease in accounts receivable	1563	(452)
Decrease in finished goods inventories	868	578
(Increase) Decrease in notes receivable and other current assets	---	14
(Decrease) in accounts payable	(1185)	(1018)
Increase (Decrease) in accrued expenses and other current liabilities	(36)	381
Total adjustments	1417	(386)
Net cash provided (utilized) by operating Activities	1197	(419)
Cash flows from investing activities:		
Proceeds from sales of fixed assets	97	24
Capital expenditures	(23)	(6)
(Increase) in notes receivable and other assets	(98)	(129)
(Decrease) in other non-current liabilities	(53)	(10)
Other	-0	-0-
Net cash used in investing activities	(77)	(121)
Cash flows from financing activities:		
Net short-term borrowings	1016	2112
Principal payments of long-term debt	(2138)	(1570)
Net cash provided by financing activities	(1122)	542
Net increase (decrease) in cash and cash equivalents	(2)	2
Cash and cash equivalents at beginning of period	43	33
Cash and cash equivalents at end of period	$ 41	$ 35

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

(NOTE 1) - BUSINESS

(a) General Development of Business

Nova Vista Industries, Inc. is a New York corporation formerly known as Bastian Industries, Inc. (referred to herein, together with its predecessors unless the context otherwise indicates, as the "Company" or the "Registrant"). The Company is an indirect subsidiary of Greville Holdings Ltd., a Swiss corporation and the ultimate parent of the Company ("Greville"). The Company primarily markets oil field supply equipment to the oil and gas drilling and production industry through its wholly owned subsidiaries Midway-Tristate Corporation ("Midway"), Bradford Pipe, Inc. ("Bradford"), and Branchland Pipe, Inc. ("Branchland") (collectively the "Energy Group"). Midway, and Branchland market their products primarily in the states of Michigan, Illinois, Ohio, and Kentucky. Bradford, which ceased operations in fiscal 1991, formerly marketed its products in Pennsylvania.

Dr. Heini Naegeli, Chairman of the Board of the Company, owns all of the outstanding capital stock of Greville.

On May 19, 1989 the Registrant (but not its subsidiaries) filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Case No. 89B11151 (CB)) due to substantial losses incurred during fiscal years 1989 and 1988, and since such date has been operating as a Debtor In Possession under the Bankruptcy Code. The Company has filed a Third Amended Plan of Reorganization and the Second Amended Disclosure Statement with the Court providing for payment to its creditors pursuant to such plan. No decision by the Bankruptcy Court has been taken with respect to the adequacy of the Second Amended Disclosure Statement and no solicitation or vote of creditors has taken place with respect to the acceptance of the Third Amended Plan.

All of Registrant's issued and outstanding common shares, $1.00 par value per share, and all of its issued and outstanding Series C Preferred Shares, no par value, were acquired on February 23, 1989 by New World Acquisition, Inc. ("New World"), a Delaware corporation all of whose capital stock is owned by Greville. New World purchased the shares from Bastian Holdings Industries, Inc.,

a Delaware corporation controlled by Benson A. Selzer, the Company's former Chairman of the Board, for a purchase price consisting of $250,000 in cash and two promissory notes, one in the principal amount of $2,500,000 and the second note for an additional contingent amount to be equal to 30% of the difference between the Tangible Net Worth of Registrant as of December 31, 1991 and as of February 23, 1989 which was zero. As part of the transaction, the Company was required to change it name.

The accompanying unaudited consolidated financial statements have been prepared in accordance with the requirements of Form 10-Q and Regulation S-X promulgated by the Securities and Exchange Commission, and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of a normal recurring nature) considered necessary for a fair presentation of results for interim periods have been made.

NOVA VISTA INDUSTRIES, INC. (Debtor in Possession)
AND SUBSIDIARIES
Notes to Consolidated Financial Statements

2) Long-Term Debt

Long-term debt at January 31, 1992 and July 31, 1991 is summarized as follows (in thousands):

	January 31, 1992 (Unaudited)	July 31, 1991
Note payable to Congress Financial Corporation, due August 1, 1991 interest at the prime rate plus 2-1/4%, collateralized by a security interest in all assets of the Energy Group	$ ---	$ 1532
Notes payable to Congress Financial Corporation due in quarterly installments of $36,000, collateralized by certain fixed assets of Bradford Pipe, Inc. and Branchland Pipe Inc., interest at the prime rate plus 2-1/4%	-0-	71
Other mortgages and notes payable	217	242
Total senior indebtedness	217	1845
Less: Current maturities	54	112
Net senior indebtedness	$ 163	$ 1733

(3) Per Share Data

Per share data is not presented because the Company is a wholly-owned subsidiary of New World Acquisition, Inc.

Item 2. Managements Discussion and Analysis of Financial Results of Operations.

Results of Operations

Second Quarter Fiscal 1992 vs. Second Quarter Fiscal 1991

Net sales for the second quarter of fiscal 1992 decreased $383,000, or 6% from the second quarter of fiscal 1991. The decrease was primarily due to the following:

Subsidiary	Volume Decrease	Reason
Midway	$ 248,000	Declining sales to construction and industrial customers due to the economy totaling $204,000, coupled with declining sales to oil and gas customers due to the slow down in Antrim formation drilling of $44,000.
Branchland	114,000	Declining market conditions and the consolidation of operations.
Bradford	21,000	Declining market conditions resulted in cessation of operations.
	$ 383,000	

Gross profit for the second quarter of fiscal 1992 decreased $49,000 from the second quarter of fiscal 1991. The gross profit decline was due to a volume shortfall. This was partially offset by a .7% increase in the gross margin to 23.5% due to a more favorable sales mix.

Selling and administrative expenses decreased $334,000 for the quarter ended January 31, 1992 from the quarter ended January 31, 1991. The decrease was primarily due to expense reductions at Midway, Bradford and Branchland totaling $168,000 due to their volume decrease in addition to the $166,000 decrease in the Chapter 11 cost of administration.

Interest expense for the quarter ended January 31, 1992 decreased $12,000 (11%) from the quarter ended January 31, 1991. The decrease was primarily due to the reduction in the operating subsidiaries' level of borrowing coupled with a rate reduction.

The overall increase of $149,000 from other expense of $39,000 for the quarter ended January 31, 1991 to income of $110,000 for the quarter ended January 31, 1992 was due to the reduction of bad debt and inventory provisions no longer deemed necessary, the compromise of certain trade payables, and in fiscal 1991, losses incurred on the liquidation of Bradford's assets.

NOVA VISTA INDUSTRIES, INC. (Debtor-in-Possession)
AND SUBSIDIARIES

Results of Operations

Six Months Fiscal 1992 vs. Six Months Fiscal 1991

Net sales for the first two quarters of fiscal 1992 decreased $2,367,000 or 17% from the first two quarters of fiscal 1991. The decrease was primarily due to the following:

Subsidiary	Volume Decrease	Reason
Midway	$1,983,000	Declining sales to oil and gas customers due to slow down in Antrim formation drilling of $1,757,000 coupled with a slow down in capital spending effecting the construction and industrial segments by $226,000.
Branchland	318,000	Declining market conditions and the consolidation of operations.
Bradford	66,000	Declining market conditions resulted in the cessation of operations.
	$2,367,000	

Gross profit for the first six months of fiscal 1992 decreased $526,000 from the first six months of fiscal 1991. The gross profit decline was due to the decrease in sales volume only. The Gross margin was unchanged at 22%.

Selling and administrative expenses decreased $396,000 during the first six months of Fiscal 1992 from the six months ended January 31, 1991. The decrease was due to expense reductions in response to the decline in volume at Midway ($88,000), Bradford ($70,000), and Branchland ($54,000) in addition to a $177,000 reduction in the cost of the Chapter 11 administration.

Interest expense for the first six months ended January 31, 1992 decreased $82,000 (30%) from the six months ended January 31, 1991. The decrease was primarily due to the reduction in the operating subsidiaries' level of borrowing.

The overall increase of $235,000 from other expense of $49,000 for the six months ended January 31, 1991 to income of $186,000 for the six months ended January 31, 1992 was due to the reduction of bad debt and inventory provisions no longer deemed necessary, the compromise of certain trade payables and in fiscal 1991, losses incurred on the liquidation of Bradford's assets.

Liquidity and Capital Resources

Substantially all of the Company's working capital is provided by its Energy Group Subsidiaries' revolving credit facility which is secured by all assets of such Subsidiaries and cross corporate guaranteed. At January 31, 1992, the difference between the maximum amount available under the revolving credit facility of $8.0 million and existing loans outstanding would have resulted in a maximum availability of approximately $4,974,000 had sufficient collateral been available to support such level of borrowing. However based upon its eligible collateral, the Energy Group availability under the revolving credit facility was $1,499,000. Management expects the restrictions imposed by the recent changes in the Midway-Tristate loan agreement, which limits the transfer of funds from Midway-Tristate Corporation may affect the Company's ability to meet its future costs of administration (see Part II, Item 5 - Subsequent Event). In the past, the cost of administering the Company's Chapter 11 proceeding has been equal to the net earnings of its operating subsidiaries.

After reclassing for comparative purposes, the $1,532,000 term note due August 1, 1992, that was reflected as long term for only one day, July 31, 1991, the $116,000 decline in working capital during fiscal 1992 was due primarily to use of current assets to acquire long term assets of $46,000 and pay down $48,000 of long term debt.

Based upon operating performance and the recent renewal of its loan agreement albeit on a month to month basis, management expects that the line of credit will be available to the Energy Group on a continuing basis (see part II, Items 5, Subsequent Event).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding pending litigation, refer to the Company's Annual Report on Form 10-K. No further developments have occurred during the quarter.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None. See Note 1 to the Consolidated Financial Statements

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted.

Item 5. Other Information - Subsequent Event

On February 13, 1992 Midway-Tristate Corporation's prime lender, Congress Financial Corporation, as a condition for renewing the expired loan agreement, required that effective March 1, 1992: (1) the interest rate be increased 1% to 3-1/4% over prime (2) that no payments be made to Nova Vista Industries, Inc. or any shareholder, and (3) that the present line of credit be reduced from $8,000,000 to $5,000,000 and the entire agreement renewable on a month to month basis.

Item 6. Exhibits and Reports on Form 8-K

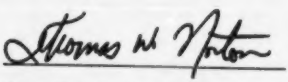
None.

NOVA VISTA INDUSTRIES, INC.
AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NOVA VISTA INDUSTRIES, INC.
(Registrant)



By: Thomas W. Norton
Treasurer
Chief Financial Officer
and duly authorized
signatory on behalf of
Registrant

Date: March 4, 1992